

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6316

BILL NUMBER: SB 414

NOTE PREPARED: Jan 4, 2011

BILL AMENDED:

SUBJECT: Lake County Fuel and Fireworks Taxes.

FIRST AUTHOR: Sen. Randolph

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides that the Lake County fiscal body may: (1) impose a tax of not more than 1% on the sale of gasoline and special fuel; and (2) impose a tax of not more than 1% on the sale of fireworks. It specifies that the tax revenue is distributed to the county and to municipalities based on population. The bill provides that the tax revenue may be used to carry out any governmental purpose.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Department of State Revenue (DOR):* This bill will result in an increase in administrative costs for the DOR by requiring the DOR to revise Sales Tax forms as well as update computer software. The DOR's current level of resources may be sufficient.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: This bill allows the Lake County fiscal body to impose a tax of not more than 1% on the sale of gasoline and special fuel; and a tax of not more than 1% on the sale of fireworks.

This bill could potentially increase local revenues by up to \$6.7 M in FY 2012 and up to \$7.3 M in FY 2013. The extent of the increase would depend on the tax rates a local body imposes on the sales of gasoline/special fuels and fireworks. The estimates are based on Global Insight's forecast of gasoline prices.

State Agencies Affected:

Local Agencies Affected: Lake County.

Information Sources: Indiana Handbook of Taxes, Revenues and Appropriations; Global Insight's forecast of gasoline prices; U.S. Census Bureau, 2007 Economic Census; BMV Vehicle Registrations by County.

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